

Message Text

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ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 EB-03 NSC-05 NSCE-00 L-01 INR-05

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R 291848Z NOV 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 6559

INFO AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY DUBLIN

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY BRUSSELS

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USMISSION EC BRUSSELS

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C O N F I D E N T I A L SECTION 01 OF 02 BONN 18544

LIMDIS

E.O. 11652: GDS

TAGS: ENRG, EEC, GW

SUBJECT: EC ENERGY POLICY: FRG VIEWS ON THE SUMMIT

1. ACCORDING TO OUR ECONOMIC MINISTRY SOURCES THE FRG DOES NOT EXPECT THE FORTHCOMING SUMMIT TO MAKE MUCH PROGRESS TOWARD THE DEVELOPMENT OF A COMMON EC ENERGY POLICY. THE GERMAN POSITION IS THAT THE HEADS OF STATE AND GOVERNMENT SHOULD NOT CONCERN THEMSELVES WITH THE DETAILS OF SPECIFIC PROPOSALS IN THE ENERGY SPHERE BUT RATHER THEY SHOULD LIMIT THEMSELVES TO REQUESTING THE COUNCIL TO CONTINUE WITH THE DEVELOPMENT OF A COMMON ENERGY POLICY ALONG THE LINES OF THE COUNCIL DECISION OF SEPTEMBER 17.

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2. THE GERMAN APPROACH TO EC ENERGY POLICY PLACES

HEAVY EMPHASIS ON THE INTERDEPENDENCE BETWEEN EC PROGRAMS AND THE WORK OF THE IEA. CONSEQUENTLY THE FRG INTENDS TO MAKE ANOTHER ATTEMPT AT THE SUMMIT TO OBTAIN APPROVAL FOR FULL EC MEMBERSHIP IN THE IEA. WHILE OUR SOURCES ACKNOWLEDGED THAT THE PROSPECTS FOR FRENCH ACQUIESCENCE IN SUCH A STEP AT THE SUMMIT ARE SLIM, THEY STATE THAT THE FRG INTENDS TO PLACE HEAVY PRESSURE ON THE FRENCH IN THIS AREA BOTH DURING AND AFTER THE SUMMIT.

3. TWO PRINCIPAL GERMAN CONCERNS WITH REGARD TO THE DEVELOPMENT OF AN EC ENERGY POLICY ARE THE DESIRE TO PROTECT THE EXISTING GERMAN LIBERAL AND OPEN MARKET STRUCTURE AND TO AVOID THE ADOPTION OF TARGETS OR MEASURES WHICH WOULD HAVE A NEGATIVE EFFECT ON EMPLOYMENT OR THE OVERALL GERMAN ECONOMY. THESE CONCERNS ARE REFLECTED IN THE GERMAN REJECTION OF PROPOSALS CONCERNING THE REGULATIONS OF MARKETS, PRICES AND INVESTMENT. THEY ARE ALSO REFLECTED IN THE CAUTIOUS GERMAN APPROACH TOWARD RIGID TARGETS ON ENERGY CONSERVATION.

4. WITH REGARD TO OTHER COMMISSION PROPOSALS, OUR SOURCES MADE THE FOLLOWING OBSERVATIONS:

A. CONSUMPTION TARGETS. WITH REGARD TO THE DEFINITION OF THE PROPOSED "TARGETS", THE FRG WILL INSIST THAT THEY BE DEFINED AS "ORIENTATION POINTS" AND NOT SPECIFIC TARGET FIGURES. THE GERMANS CONSIDER THE TARGET OF LIMITING THE SHARE OF IMPORTS IN TOTAL COMMUNITY ENERGY CONSUMPTION TO 50 PERCENT AS EXTREMELY AMBITIOUS. THEY CONSIDER SUCH A TARGET A CLUMSY MEASURE FOR EXPRESSING THE COMMUNITY'S RELATIVE INDEPENDENCE FROM RISKY ENERGY SOURCES AND THEY STATE THAT IN THE CASE OF THE FRG SUCH A TARGET IS ONLY OBTAINABLE IF GERMANY CAN INCREASE ITS IMPORTS OF OIL AND GAS FROM OTHER EC MEMBERS. THE FRG BELIEVES THAT THE TARGET OF A 15 PERCENT REDUCTION IN TOTAL ENERGY CONSUMPTION BY 1985 GREATLY EXCEEDS CURRENT PROSPECTS IN GERMANY. WHILE THE FRG DOES NOT

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EXCLUDE THE POSSIBILITY THAT SUCH A GOAL IS ATTAINABLE, IT DOES NOT BELIEVE THAT ARTIFICIAL CONSUMPTION RESTRAINTS ARE A GOAL WORTH STRIVING FOR AT THE PRESENT TIME ESPECIALLY IF THEY WOULD RESULT IN INCREASED UNEMPLOYMENT AND A LOWER LEVEL OF REAL GNP GROWTH.

B. CONSERVATION MEASURES. WHILE THE FRG AGREES THAT

THE EXCHANGE OF INFORMATION ON THE DIFFERENT
CONSERVATION MEASURES ADOPTED IN THE EC MEMBER
COUNTRIES IS IMPORTANT, IT BELIEVES THAT THE
POSSIBILITIES FOR HARMONIZATION OF THESE MEASURES ARE
LIMITED DUE TO THE DIFFERING SITUATION IN THE
INDIVIDUAL COUNTRIES.

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C O N F I D E N T I A L SECTION 02 OF 02 BONN 18544

LIMDIS

C. OIL AND GAS SECTOR. THE FRG SEES LITTLE NEED
FOR COMMUNITY CONCERN OVER DIFFERENCES IN PETROLEUM
PRODUCT PRICES AMONG THE MEMBER COUNTRIES. IN ITS
VIEW, THE COMMUNITY SHOULD WORK CLOSELY WITH THE
IEA TO IMPROVE PRICE TRANSPARENCY IN THIS SECTOR.
THE FRG IS OPPOSED TO RESTRICTIONS ON PETROLEUM IMPORTS.

D. COAL. THE FRG FEELS THAT THE COMMISSION'S PROPOSAL IN THE COAL SECTOR IS CONTRADICTORY. PROVIDING GREATER ACCESS TO IMPORTS COAL WOULD MAKE IT IMPOSSIBLE TO HOLD COMMUNITY COAL PRODUCTION TO THE CURRENT LEVEL.

E. NUCLEAR AND R & D. THE FRG SHARES THE COMMISSION'S VIEW THAT THE DEVELOPMENT OF NUCLEAR ENERGY SHOULD
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BE ACCELERATED. IT SEES THE NEED TO MOVE SLOWLY IN THIS SECTOR, HOWEVER, AND TO CAREFULLY EXAMINE THE DETAILS OF SPECIFIC PROPOSALS. THE FRG WOULD LIKE THE EC TO PLACE MORE EMPHASIS ON RESEARCH AND DEVELOPMENT AND WILL ENCOURAGE THE COMMISSION TO PROPOSE SPECIFIC PROJECTS FOR THE INVOLVEMENT OF COMMUNITY MEMBERS EITHER ACTING TOGETHER OR IN CONJUNCTION WITH OTHER PRODUCER OR CONSUMER COUNTRIES.
CASH.

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